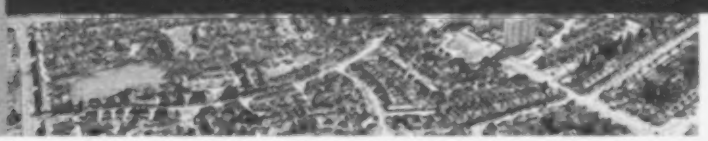
HOUSING MARKET INFORMATION

HOUSING MARKET OUTLOOK

Atlantic Region Highlights



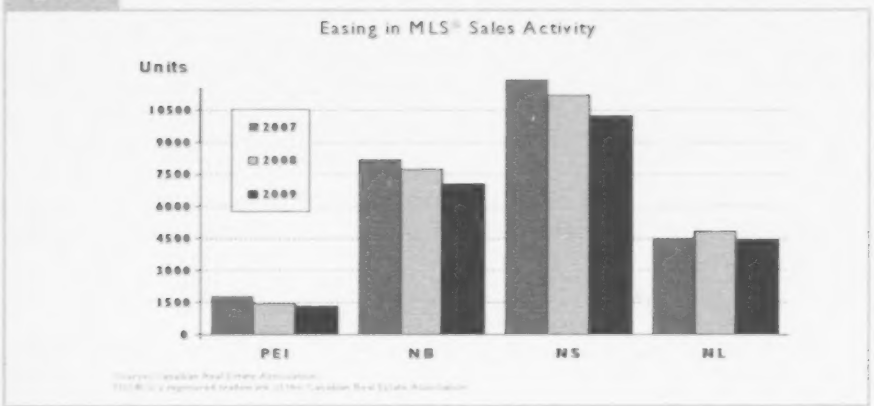
Canada Mortgage and Housing Corporation

Date Released: Fourth Quarter 2008

Atlantic Housing Outlook Starting to Ease

Figure 1

Figure 2



Overview

Housing starts are forecast to decline in 2009 in Atlantic Canada from historically high levels achieved over the last couple of years. An increase in singles activity in 2008 will be replaced by a reduction in activity in 2009 due to current economic circumstances. As well the anticipated increase in multiple starts in 2008 did not materialize and the expectations for 2009 have changed in the current economic environment. The strongest level of growth in overall activity for 2009 will occur in Newfoundland and Labrador.

Prices Continue to Rise

The price of existing homes continues to increase, with prices rising over seven per cent again in 2008. This was the fourth year out of five that prices in the existing homes market increased over seven per cent. The small increases in new inventory for sale have been

Canada

CMHC SCHL

HOME TO CANADIANS

moderate as well over the last five years and this has also helped to maintain some of the consistency in price increases over the same period. It is expected that the growth in prices will moderate. New home prices are also rising, although outside of Halifax and St. John's, increases due to the effects of price inflation from labor and land were not as significant in the smaller markets across Atlantic Canada in 2008.

Easing in MLS® Sales

For 2009, existing home sales activity is expected to decline nine per cent across the region. The overall level of sales activity will continue to be supported by positive migration to the region (interprovincial and international) and positive employment growth.

Housing Forecast

The increase in housing activity in 2007, which was due to a rise in single starts, is not expected to carry over for the remainder of 2008 and 2009.

Multiple starts are expected to decline in 2009 but row and semi-detached starts are expected to remain popular in some urban centres across Atlantic Canada, as consumers shift away from single-detached units.

Overall the housing market is expected to move more in line with demographic fundamentals.

Mortgage rates		
1 Year	Q3 2008	6.75
	% pt. chg from Q3 2007	-0.30
	2008 (F)	6.75
	2009 (F)	6.31
5 Year	Q3 2008	6.95
	% pt. chg from Q3 2007	-0.27
	2008 (F)	7.05
	2009 (F)	6.92

Source: Bank of Canada, CMHC Forecast

Economic Forecast

For Newfoundland and Labrador, oil and mineral exports, combined with the addition of new investment activity will continue to drive economic growth for the province. However, declines in offshore oil production will offset the 2009 outlook somewhat.

For Prince Edward Island, current prospects for growth and recent problems in the agriculture sector will affect the outlook for the key sectors including agriculture, manufacturing and tourism.

As is evident in the rest of Atlantic Canada, Nova Scotia's current and future growth prospects will be impacted by the current economic environment. The movement westward has temporarily slowed and the recent outlook for migration has improved but there will continue to be a challenge for companies looking to attract or keep workers in Nova Scotia.

For the New Brunswick economy, the current LNG terminal project and the refurbishment of the Point Lepreau generating station in the Saint John area, as well as the expansion of the Potash Corp. facility in Sussex continue to support non-residential construction activity.

Atlantic Region Economic and Housing Indicators

		Labour Market				Housing Market				
		Emp. Growth SA[2] (%)	Unemp. Rate SA[2] (%)	Average Weekly Earnings ($)		Total Starts	Single-Detached Starts	Multiple Starts	MLS® Sales	MLS® Average Price ($)
St. John's	Q3 2008	2.3	8.1	775.45	Q3 2008	660	520	140	1,695	$182,306
	Q3 2007	2.1	6.5	713.27	Q3 2007	523	417	106	1,529	$153,053
	Change[1]	0.2	1.6	8.7%	% Change	26.2	24.7	32.1	10.9	19.1
Charlottetown[1]	Q3 2008	1.2	6.6	n/a	Q3 2008	111	97	14	n/a	n/a
	Q3 2007	-0.3	5.9	n/a	Q3 2007	120	102	18	n/a	n/a
	Change[1]	1.5	0.7	-	% Change	-7.5	-4.9	-22.2	-	-
Halifax[2]	Q3 2008	-0.5	5.3	725.00	Q3 2008	656	367	289	1,724	$229,987
	Q3 2007	2.4	6.0	699.51	Q3 2007	791	367	424	1,816	$218,227
	Change[1]	-2.9	-0.7	3.6%	% Change	-17.1	0.0	-31.8	-5.1	5.4
Fredericton	Q3 2008	0.0	4.2	n/a	Q3 2008	193	166	27	n/a	n/a
	Q3 2007	4.1	5.5	n/a	Q3 2007	281	154	127	647	$135,144
	Change[1]	-4.1	-1.3	-	% Change	-31.3	7.8	-78.7	n/a	n/a
Moncton	Q3 2008	0.4	5.4	654.64	Q3 2008	400	173	227	n/a	n/a
	Q3 2007	4.4	4.5	612.43	Q3 2007	582	267	315	799	$141,147
	Change[1]	-4.0	0.8	6.9%	% Change	-31.3	-35.2	-27.9	n/a	n/a
Saint John	Q3 2008	-4.3	6.1	723.74	Q3 2008	297	145	152	701	$157,608
	Q3 2007	11.3	4.9	694.15	Q3 2007	165	121	44	665	$136,120
	Change[1]	-15.6	1.2	4.3%	% Change	80.0	19.8	245.5	5.4	15.8
NL	September 08	-0.2	13.3	742.95	Q3 2008	1,227	1,014	213	n/a	n/a
	September 07	-0.3	13.5	678.90	Q3 2007	973	839	134	1,529	$153,053
	Change[1]	0.1	-0.2	9.4%	% Change	26.1	20.9	59.0	n/a	n/a
PEI	September 08	2.2	11.4	631.70	Q3 2008	221	191	30	n/a	n/a
	September 07	0.7	10.6	581.01	Q3 2007	239	203	36	589	$135,708
	Change[1]	1.4	0.8	8.7%	% Change	-7.5	-5.9	-16.7	n/a	n/a
NS	September 08	2.4	7.6	678.80	Q3 2008	1,322	894	428	n/a	n/a
	September 07	1.2	7.9	654.77	Q3 2007	1,615	919	696	3,311	$178,521
	Change[1]	1.2	-0.3	3.7%	% Change	-18.1	-2.7	-38.5	n/a	n/a
NB	September 08	0.9	8.0	674.72	Q3 2008	1,406	868	538	n/a	n/a
	September 07	3.7	8.3	638.23	Q3 2007	1,569	968	601	2,316	$133,858
	Change[1]	-2.8	-0.3	5.7%	% Change	-10.4	-10.3	-10.5	n/a	n/a
Atlantic Region	September 08	1.4	9.1	709.50	Q3 2008	4,176	2,967	1,209	n/a	n/a
	September 07	1.7	9.4	649.40	Q3 2007	4,396	2,929	1,467	7,745	$156,882
	Change[1]	-0.3	-0.2	9.3%	% Change	-5.0	1.3	-17.6	n/a	n/a
Canada	September 08	1.6	6.1	789.08	Q3 2008	58,292	27,724	30,568	n/a	n/a
	September 07	2.5	5.9	760.75	Q3 2007	67,838	35,174	32,664	132,267	$306,682
	Change[1]	-0.8	0.2	3.7%	% Change	-14.1	-21.2	-6.4	n/a	n/a

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

[1]Changes to the Unemployment Rate and Employment Growth represent the ***absolute*** difference between current rates and the rates for the same period in the previous year.

[2]Seasonally adjusted Labour Force data is not available for Charlottetown, Fredericton, Moncton and, therefore, raw data was used.

Source: Statistics Canada (CANSIM), CMHC (Starts and Completions Survey), CREA, [1]PEI Real Estate Association, [2]Nova Scotia Association of Realtors.

"SA" means Seasonally Adjusted.

Atlantic Region Housing Forecast - New Construction

	Housing Starts	2007	2008(F)	% chg (2007/2008)	2009(F)	% chg (2008/2009)	YTD 2008	YTD 2007	% chg (2007/2008)
St. John's	Single-Detached	1,174	1,425	21.4	1,300	-8.8	1,029	814	26.4
	Multiple	306	350	14.4	350	0.0	259	232	11.6
	Total	1,480	1,775	19.9	1,650	-7.0	1,288	1,046	23.1
Charlottetown	Single-Detached	295	275	-6.8	225	-18.2	211	213	-0.9
	Multiple	99	100	1.0	100	0.0	82	80	2.5
	Total	394	375	-4.8	325	-13.3	293	293	0.0
Halifax	Single-Detached	1,207	1,175	-2.7	1,025	-12.8	930	831	11.9
	Multiple	1,282	1,025	-20.0	1,000	-2.4	761	1,096	-30.6
	Total	2,489	2,200	-11.6	2,025	-8.0	1,691	1,927	-12.2
Fredericton	Single-Detached	432	480	11.1	430	-10.4	364	311	17.0
	Multiple	204	200	-2.0	160	-20.0	151	164	-7.9
	Total	636	680	6.9	590	-13.2	515	475	8.4
Moncton	Single-Detached	655	640	-2.3	600	-6.3	416	496	-16.1
	Multiple	770	760	-1.3	670	-11.8	593	597	-0.7
	Total	1,425	1,400	-1.8	1,270	-9.3	1,009	1,093	-7.7
Saint John	Single-Detached	412	490	18.9	440	-10.2	364	286	27.3
	Multiple	275	360	30.9	330	-8.3	305	215	41.9
	Total	687	850	23.7	770	-9.4	669	501	33.5
NL	Single-Detached	2,184	2,650	21.3	2,300	-13.2	1,922	1,531	25.5
	Multiple	465	450	-3.2	425	-5.6	376	301	24.9
	Total	2,649	3,100	17.0	2,725	-12.1	2,298	1,832	25.4
PEI	Single-Detached	573	525	-8.4	450	-14.3	404	411	-1.7
	Multiple	177	175	-1.1	150	-14.3	123	124	-0.8
	Total	750	700	-6.7	600	-14.3	527	535	-1.5
NS	Single-Detached	2,887	2,825	-2.1	2,425	-14.2	2,024	1,997	1.4
	Multiple	1,863	1,475	-20.8	1,300	-11.9	1,082	1,538	-29.6
	Total	4,750	4,300	-9.5	3,725	-13.4	3,106	3,535	-12.1
NB	Single-Detached	2,733	2,650	-3.0	2,325	-12.3	1,899	2,003	-5.2
	Multiple	1,509	1,550	2.7	1,300	-16.1	1,356	1,170	15.9
	Total	4,242	4,200	-1.0	3,625	-13.7	3,255	3,173	2.6
Atlantic Region	Single-Detached	8,377	8,650	3.3	7,500	-13.3	6,249	5,942	5.2
	Multiple	4,014	3,650	-9.1	3,175	-13.0	2,937	3,133	-6.3
	Total	12,391	12,300	-0.7	10,675	-13.2	9,186	9,075	1.2
Canada	Single-Detached	118,917	94,263	-20.7	83,600	-11.3	72,320	90,068	-19.7
	Multiple	109,426	117,925	7.8	94,375	-20.0	91,669	83,101	10.3
	Total	228,343	212,188	-7.1	177,975	-16.1	163,989	173,169	-5.3

Source: CMHC (Starts and Completions Survey)
(F) = CMHC Forecast

Atlantic Region Housing Forecast - Resale Market

		2007	2008(F)	% chg (2007/2008)	2009(F)	% chg (2008/2009)	YTD 2008	YTD 2007	% chg (2007/2008)
St. John's	MLS® Sales(#)	4,471	4,800	7.4	4,400	-8.3	2,948	2,714	8.6
	MLS® Avg. Price ($)	149,258	176,500	18.3	187,500	6.2	172,411	147,484	16.9
Charlottetown[1]	MLS® Sales(#)	650	575	-11.5	500	-13.0	n/a	n/a	-
	MLS® Avg. Price ($)	166,244	174,000	4.7	176,000	1.1	n/a	n/a	-
Halifax[2]	MLS® Sales(#)	6,938	6,450	-7.0	6,200	-3.9	5,022	5,448	-7.8
	MLS® Avg. Price ($)	215,018	228,000	6.0	235,000	3.1	231,492	216,702	6.8
Fredericton	MLS® Sales(#)	2,448	2,250	-8.1	2,125	-5.6	1,662	1,835	-9.4
	MLS® Avg. Price ($)	141,117	151,500	7.4	158,000	4.3	156,566	143,594	9.0
Moncton	MLS® Sales(#)	2,849	2,750	-3.5	2,600	-5.5	1,984	2,048	-3.1
	MLS® Avg. Price ($)	140,032	147,000	5.0	151,500	3.1	144,421	140,955	2.5
Saint John	MLS® Sales(#)	2,253	2,150	-4.6	2,000	-7.0	1,560	1,600	-2.5
	MLS® Avg. Price ($)	140,544	157,000	11.7	163,000	3.8	159,026	141,116	12.7
NL	MLS® Sales(#)	4,471	4,800	7.4	4,400	-8.3	2,948	2,714	8.6
	MLS® Avg. Price ($)	149,258	176,500	18.3	187,500	6.2	172,411	147,484	16.9
PEI	MLS® Sales(#)	1,769	1,450	-18.1	1,300	-10.3	881	1,110	-20.6
	MLS® Avg. Price ($)	133,457	139,000	4.2	143,000	2.9	139,320	132,232	5.4
NS	MLS® Sales(#)	11,857	11,175	-5.8	10,175	-8.9	8,167	8,642	-5.5
	MLS® Avg. Price ($)	180,989	190,900	5.5	196,000	2.7	192,164	183,406	4.8
NB	MLS® Sales(#)	8,161	7,700	-5.6	7,000	-9.1	5,597	5,884	-4.9
	MLS® Avg. Price ($)	136,603	144,500	5.8	151,500	4.8	147,735	138,219	6.9
Atlantic Region	MLS® Sales(#)	26,259	25,124	-4.3	22,875	-9.0	17,593	18,350	-4.1
	MLS® Avg. Price ($)	158,589	170,933	7.8	177,736	4.0	172,073	160,508	7.2
Canada	MLS® Sales(#)	523,701	452,225	-13.6	433,375	-4.2	330,181	383,939	-14.0
	MLS® Avg. Price ($)	305,707	306,500	0.3	306,700	0.1	309,698	303,929	1.9

MLS® is a registered trademark of the Canadian Real Estate Association (CREA)
Source: CREA, [1]PEI Real Estate Association, [2]Nova Scotia Association of Realtors
(F) = CMHC Forecast YTD (January-August)

Atlantic Region Housing Forecast - Rental Market				
	Vacancy Rate		Average Rent 2-Bedroom Units	
	Oct 2007	Oct 2008(F)	Oct 2007	Oct 2008(F)
St. John's	2.6	1.0	614	650
Charlottetown	4.3	4.0	659	670
Halifax	3.1	2.9	815	830
Fredericton	6.5	6.0	701	725
Moncton	4.3	4.8	643	660
Saint John	5.2	4.8	570	590
Canada[1]	2.6	2.8	n/a	n/a

Source: CMHC Fall Rental Market Survey
(F) = CMHC Forecast
[1] All centres 100,000+

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 60 years.

Together with other housing stakeholders, we help ensure that the Canadian housing system remains one of the best in the world. We are committed to helping Canadians access a wide choice of quality, environmentally sustainable and affordable homes – homes that will continue to create vibrant and healthy communities and cities across the country.

For more information, visit our website at www.cmhc.ca

You can also reach us by phone at 1-800-668-2642 or by fax at 1-800-245-9274.
Outside Canada call 613-748-2003 or fax to 613-748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1-800-668-2642.

The Market Analysis Centre's (MAC) electronic suite of national standardized products is now available for free on CMHC's website. You can now view, print, download or subscribe to future editions and get market information e-mailed automatically to you the same day it is released. It's quick and convenient! Go to www.cmhc.ca/housingmarketinformation

For more information on MAC and the wealth of housing market information available to you, visit us today at www.cmhc.ca/housingmarketinformation

To subscribe to priced, printed editions of MAC publications, call 1 800 668-2642.

©2007 Canada Mortgage and Housing Corporation. All rights reserved. CMHC grants reasonable rights of use of this publication's content solely for personal, corporate or public policy research, and educational purposes. This permission consists of the right to use the content for general reference purposes in written analyses and in the reporting of results, conclusions, and forecasts including the citation of limited amounts of supporting data extracted from this publication. Reasonable and limited rights of use are also permitted in commercial publications subject to the above criteria, and CMHC's right to request that such use be discontinued for any reason.

Any use of the publication's content must include the source of the information, including statistical data, acknowledged as follows:

Source: CMHC (or "Adapted from CMHC," if appropriate), name of product, year and date of publication issue.

Other than as outlined above, the content of the publication cannot be reproduced or transmitted to any person or, if acquired by an organization, to users outside the organization. Placing the publication, in whole or part, on a website accessible to the public or on any website accessible to persons not directly employed by the organization is not permitted. To use the content of any CMHC Market Analysis publication for any purpose other than the general reference purposes set out above or to request permission to reproduce large portions of, or entire CMHC Market Analysis publications, please contact: the Canadian Housing Information Centre (CHIC) at mailto:chic@cmhc.gc.ca; (613) 748-2367 or 1 800 668-2642.

For permission, please provide CHIC with the following information:
Publication's name, year and date of issue.

Without limiting the generality of the foregoing, no portion of the content may be translated from English or French into any other language without the prior written permission of Canada Mortgage and Housing Corporation.

The information, analyses and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.

STAY ON TOP OF THE HOUSING MARKET

Enhance your decision-making with the latest information on Canadian housing trends and opportunities.

Don't miss Canada's leading Housing Outlook Conference in your area. CMHC's Housing Outlook Conferences are the best venues to access timely, reliable and unbiased information.

Housing Outlook Conferences:

- Vancouver, October 30, 2008
- Kitchener, November 4, 2008
- Edmonton, November 5, 2008
- Toronto, November 6, 2008
- Hamilton, November 13, 2008
- Montréal, November 14, 2008
- Québec City, November 18, 2008
- Calgary, November 18, 2008
- London, Novmber 18, 2008
- Ottawa, November 20, 2008

Housing Outlook Seminars:

- Victoria, November, 2008

Free reports available on-line:

- Canadian Housing Statistics
- Housing Information Monthly
- Housing Market Outlook, Canada
- Housing Market Outlook, Highlight Reports - Canada and Regional
- Housing Market Outlook, Major Centres
- Housing Now, Canada
- Housing Now, Major Centres
- Housing Now, Regional
- Monthly Housing Statistics
- Northern Housing Outlook Report
- Preliminary Housing Start Data
- Renovation and Home Purchase
- Rental Market Highlight Reports
- Rental Market Reports, Major Centres
- Rental Market Statistics

Free regional reports also available:

- B.C. Seniors' Housing Market Survey
- Ontario Retirement Homes Report
- The Retirement Home Market Study, Quebec Centres
- Housing Market Tables: Selected South Central Ontario Centres
- Residential Construction Digest, Prairie Centres
- Analysis of the Resale Market, Quebec Centres

Get the market intelligence you need today!

Click www.cmhc.ca/housingmarketinformation to view, download or subscribe.

Subscribe today to CMHC's Housing Research and Housing Technology eNewsletters.

Our electronic newsletters give you information on the latest socio-economic housing research findings and events, and Canadian housing technology. If you work in the housing industry, these eNewsletters are for you!

64595_2008_Q04